Writing off of bank losses

4023. SHRIMATI S. G. INDIRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have decided to write off the accumulated losses of many Nationalised Banks;

(b) if so, the details thereof; and

(c) what is the total amount of losses of the Nationalised Banks written off by Government and what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) With a view to strengthen their balance sheets, facilitate their adopting Basel II prescriptions, meet their future capital requirements through Initial Public Offer, instill confidence among investors for investing in their shares and to enable them to expand their business, Government has decided in 2006 to net off the entire accumulated losses of Indian Bank and United Bank of India amounting to Rs. 3830.14 crore and Rs. 278.44 crore respectively as on 31.03.2006 against their equity capital.

Expansion of Economy

4024. SHRIMATI SHOBHANA BHARTIA: Will the Minister of FINANCE be pleased to state:

(a) whether US, China and India have agreed to expand economy by 2020;

(b) whether, according to a study report released by the Economist Intelligence Unit, a sizeable growth in global economic output over next 15 days, with US, China and India accounting for more than 50 per cent of all new growth; and

(c) whether more than 471 million net new workers will enter global workforce with India accounting for a remarkable 30 per cent *i.e.* 142.4 million, China will account for 65 million and US with 12.5 million?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Economist Intelligence Unit (EIU) of 'The Economist' has published a report 'Foresight 2020' forecasting economic, industry and corporate trends over the period

2006 to 2020. Global Gross Domestic Product (GDP) is forecast to grow at an average annual rate of 3.5 per cent in 2006—2020. The EIU report indicates that as a contribution to global growth (increase in a country's real GDP, at constant 2005 Purchasing Power Parity (PPP), as a share of increase in global GDP over the same period), the share of United States, China and India in 2020 would be 15.9 per cent, 26.7 per cent and 12.2 per cent respectively.

(c) The EIU survey indicates gradual slowdown in employment growth although the actual rates of employment growth will vary sharply across different regions. It forecasts that 471 million new jobs would be created in the world economy during the 15 years from 2006—2020, with India, China and United States accounting for 142.4 million, 65.0 million and 12.5 million, respectively. The share of India, China and United States in such new jobs will be 30.2 per cent, 13.8 per cent and 2.6 per cent respectively.

Report of Investment Commission

4025. SHRIMATI SHOBHANA BHARTIA: Will the Minister of FINANCE be pleased to state:

(a) whether the Investment Commission constituted by the PM under the Chairmanship of Tata, presented its report to the PM in March, 2006;

(b) if so, what are the main points of the report;

(c) whether Government have considered its recommendations; and

(d) if so, what are the steps being taken to implement them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Investment Commission (IC) in its report "Investment Strategy for India" of February 2006 has made a set of broad recommendations to facilitate and improve the investment climate. The main recommendations are: (i) Remove/ reduce restrictions on sector caps and entry route on sectors other than those considered "strategic" (ii) Provide labour flexibility (iii) Promote SEZs for key sectors (iv) Provide a level playing field in sectors with PSU dominance (v) Eliminate scope for discretionary interpretation to stem corruption (vi) Establish effective mechanisms to resolve centre-state